

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	5,509	4,878	15,268	14,698
Operating expenses	(4,672)	(4,563)	(13,792)	(13,745)
Other operating income	145	80	466	499
	<u>982</u>	<u>395</u>	<u>1,942</u>	<u>1,452</u>
Finance costs	(8)	(10)	(28)	(22)
Profit/(Loss) before taxation	<u>974</u>	<u>385</u>	<u>1,914</u>	<u>1,430</u>
Income tax expense	(332)	(34)	(497)	(234)
Net profit for the period	<u>642</u>	<u>351</u>	<u>1,417</u>	<u>1,196</u>
Loss after tax from discontinued operations	-	(48)	-	(115)
Net profit after taxation	<u>642</u>	<u>303</u>	<u>1,417</u>	<u>1,081</u>
Other comprehensive income:				
Foreign currency translation	-	(3)	-	(86)
Other comprehensive loss for the year, net of tax	-	(3)	-	(86)
Total comprehensive income/ (loss)	<u>642</u>	<u>300</u>	<u>1,417</u>	<u>995</u>
Profit attributable to:				
Owners of the Company	363	(17)	598	284
Non-controlling interests	<u>279</u>	<u>320</u>	<u>819</u>	<u>797</u>
	<u>642</u>	<u>303</u>	<u>1,417</u>	<u>1,081</u>
Total comprehensive income attributable to:				
Owners of the Company	363	(20)	598	254
Non-controlling interests	<u>279</u>	<u>320</u>	<u>819</u>	<u>741</u>
	<u>642</u>	<u>300</u>	<u>1,417</u>	<u>995</u>
Earnings/(loss) per share attributable to owners of the parent:				
Basic (sen)	0.23	(0.01)	0.38	0.18
Diluted (sen)	NA	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

(Company No.: 647820-D)

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	(Unaudited) As at 30.09.2013 RM'000	(Audited) As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,677	10,628
Goodwill on acquisition	1,110	1,110
	<u>10,787</u>	<u>11,738</u>
Current assets		
Inventories	2,946	3,409
Trade and other receivables	6,711	5,503
Fixed deposits with licensed banks	3,634	3,551
Short term investment	5,589	5,514
Cash and bank balances	3,743	3,792
	<u>22,623</u>	<u>21,769</u>
TOTAL ASSETS	<u>33,410</u>	<u>33,507</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	15,591	15,591
Treasury shares	(24)	-
Share premium	9,978	9,978
Accumulated losses	(660)	(477)
	<u>24,885</u>	<u>25,092</u>
Non-controlling interests	4,266	4,546
Total equity	<u>29,151</u>	<u>29,638</u>
Non-current liabilities		
Hire purchase creditors	294	683
Term loans	-	54
Deferred taxation	621	621
	<u>915</u>	<u>1,358</u>
Current liabilities		
Trade and other payables	2,739	2,201
Hire purchase creditors	431	165
Tax payable	174	12
Borrowings	-	133
	<u>3,344</u>	<u>2,511</u>
Total liabilities	<u>4,259</u>	<u>3,869</u>
TOTAL EQUITY AND LIABILITIES	<u>33,410</u>	<u>33,507</u>
Net assets per share attributable to equity holders of the parent (sen)	<u>16.0</u>	<u>16.1</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	← Attributable to Equity Holders of the Parent →					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Transla- tion (Loss)/ Reserve RM'000	Non-Distributable Distributable Retained Earnings/ (Accumu- lated Losses) RM'000			
Balance at 1 January 2012	15,591	-	9,978	(42)	(572)	24,955	5,392	30,347
Net profit/(loss) for the period	-	-	-	-	284	284	797	1,081
Other comprehensive income	-	-	-	(86)	-	(86)	56	(30)
Dividends paid to non- controlling interests	-	-	-	-	-	-	(1,650)	(1,650)
Balance as at 30 September 2012	15,591	-	9,978	(128)	(288)	25,153	4,595	29,748
Balance at 1 January 2013	15,591	-	9,978	-	(478)	25,091	4,547	29,638
Net profit/(loss) for the period	-	-	-	-	598	598	819	1,417
Other comprehensive income	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(780)	(780)	(1,100)	(1,880)
Purchase of own shares	-	(24)	-	-	-	(24)	-	(24)
Balance as at 30 September 2013	15,591	(24)	9,978	-	(660)	24,885	4,266	29,151

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013**

	(Unaudited)	
	9 Months Ended	
	30.09.2013	30.09.2012
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before taxation from continuing operations	1,914	1,430
Loss before taxation from discontinued operations	-	(115)
Profit before taxation	<u>1,914</u>	<u>1,315</u>
<u>Adjustments for:</u>		
Non-cash items	850	966
Non-operating items	(209)	(146)
Operating profit before working capital changes	<u>2,555</u>	<u>2,135</u>
<u>Changes in working capital:</u>		
Net change in current assets	(556)	1,254
Net change in current liabilities	538	(1,628)
Cash generated from operations	<u>2,537</u>	<u>1,761</u>
Interest paid	(28)	(20)
Tax (paid)/refunded	(363)	(352)
Net cash generated from operating activities	<u>2,146</u>	<u>1,389</u>
Cash Flows From Investing Activities		
Proceeds from disposal of assets-held-for-sale	-	2,578
Proceeds from disposal of plant and equipment	122	640
Interest received	209	146
Purchase of property, plant and equipment	(154)	(1,098)
Net cash generated from investing activities	<u>177</u>	<u>2,266</u>
Cash Flow From Financing Activities		
Purchase of own shares	(24)	-
Net increase/(decrease) in bills payable	-	(125)
Net repayment of hire purchase creditors	(123)	400
Dividends paid	(1,880)	(1,650)
Repayment of term loans	(187)	(1,255)
Net cash used in financing activities	<u>(2,214)</u>	<u>(2,630)</u>
NET INCREASE CASH AND CASH EQUIVALENTS	109	1,025
Effects of exchange rate changes	-	(57)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF YEAR	<u>12,806</u>	<u>11,039</u>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	<u>12,915</u>	<u>12,007</u>
<u>Cash and cash equivalents comprise:</u>		
Fixed deposits with licensed banks	3,634	3,500
Short term investment	5,589	5,476
Cash and bank balances		
- Continuing operations	3,743	2,722
- Discontinued operations	-	309
	<u>12,966</u>	<u>12,007</u>
Less : Fixed deposits pledged to licensed banks	(51)	-
	<u>12,915</u>	<u>12,007</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

TECHFAST HOLDINGS BERHAD

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards 134 (MFRS 134): “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE LR”).

These interim financial statements are the Group’s first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the financial year ended (“FYE”) 31 December 2011.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2012.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the following MFRSs, Amendments to MFRSs and Interpretations that were issued but not yet effective:

Effective for financial periods beginning on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013

MFRS 3	Business Combinations
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Consolidated and Separate Financial Statements (revised)
MFRS 128	Investments in Associates and Joint Ventures (revised)
Amendments to MFRS 1	First-Time Adoption of MFRS – Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interest in Other Entities: Transition Guidance

Annual improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Effective for financial periods beginning on or after 1 January 2014

Amendments to MFRS 132 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING

A3. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 was not qualified.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is generally not affected by seasonal and cyclical factors.

A5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review.

A6. Changes in Estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the current quarter under review.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter ended 30 September 2013.

A8. Dividend Paid

No dividend was paid during the current quarter under review.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013**A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING****A9. Segmental Information**

	Self-clinching fasteners	Mould cleaning rubber sheets and LED epoxy encapsulant materials	Investment Holding	Elimination	Consolidation
9 Months Ended 30.09.2013	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	6,155	8,988	125	-	15,268
Inter-segment revenue	-	1,912	1,775	(3,687)	-
Total segment revenue	<u>6,155</u>	<u>10,900</u>	<u>1,900</u>	<u>(3,687)</u>	<u>15,268</u>
Operating segment profit/(loss)	54	2,195	892	(1,199)	1,942
Finance cost	(17)	(11)	-	-	(28)
Profit/(loss) before taxation	37	2,184	892	(1,199)	1,914
Income tax	-	(497)	-	-	(497)
Net profit/(loss) after taxation	<u>37</u>	<u>1,687</u>	<u>892</u>	<u>(1,199)</u>	<u>1,417</u>

A10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward, without amendment, from the financial year ended 31 December 2012.

A11. Subsequent Events

There were no material events subsequent to the end of the current quarter that have not been reflected in the financial statements, which are likely to substantially affect the results of the current quarter under review.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group that occurred in quarter under review.

A13. Contingent Liabilities

The Company is contingently liable for corporate guarantees provided to financial institutions for banking facilities amounting to RM4.07 million granted to the subsidiary companies. As at 30 September 2013, the subsidiary companies did not utilise any of the said banking facilities.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

A. EXPLANATORY NOTES AS PER FRS 134 – INTERIM FINANCIAL REPORTING

A14. Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at the end of the quarter under review.

A15. Significant Related Party Transactions

There were no related party transactions, other than that disclosed below, which would have a material impact on the financial position and the business of the Group during the current quarter.

	3 months ended (Quarter)	9 months ended (Cumulative)
	30.09.2013	30.09.2013
	RM'000	RM'000
Significant Related Party Transactions		
Professional fees paid to firms connected to directors of the Company		
Michael Lim & Co.		
- Professional fee	-	40
ML Taxation Services Sdn. Bhd.		
- Professional fee	19	19

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

3rd Quarter 2013 vs 3rd Quarter 2012

The Group revenue for the current quarter increased marginally to RM5.51 million with an unaudited profit before taxation of RM0.97 million. The revenue was 12.9% higher than total revenue of RM4.88 million recorded during the corresponding quarter in the previous year.

For the current quarter, the self-clinching fastener (“SCF”) segment made a small profit before tax of RM0.14 million compared to a loss before tax of RM0.31 million in the corresponding quarter in the previous year. The improved performance was mainly due to the better turnover as a result of improvement in the SCF industry and also favourable effects from the exchange rate difference.

The mould cleaning rubber sheets (“rubber sheets”) and LED epoxy encapsulant (“epoxy”) materials segment recorded a profit before taxation of RM0.92 million which was higher than RM0.75 million recorded in the corresponding quarter in the previous year. The better performance in the third quarter of the financial year ending 31 December 2013 was due to the internal cost reduction measures undertaken by the subsidiary companies and coupled with the favourable effects of the US Dollar which improved the profit margins of Cape and Oriem.

3rd Quarter 2013 YTD vs 3rd Quarter 2012 YTD

For the nine months period ended 30 September 2013, total turnover of the Group of RM15.27 million was higher compared to RM14.70 million recorded during the same period last year. The Group recorded a profit before taxation of RM1.91 million for the period ended 30 September 2013 which was much improved compared to RM1.43 million recorded during the same period in the prior year.

The SCF segment made a marginal profit before taxation of about RM0.04 million for the period ended 30 September 2013 compared to loss of RM0.31 million. The results for the 2013 thus far was improved mainly due to better business conditions and improved bottom line without the inclusion of the loss-making subsidiary in Thailand which had been disposed off. The improved performance was also due to favourable effects from exchange rate differences.

The rubber sheets and epoxy segment recorded higher profit before taxation of RM2.18 million for the nine months period ended 30 September 2013 compared to RM1.86 million during the same period last year. This segment delivered improved results in the current year-to-date mainly due to the internal cost reduction measures undertaken by the subsidiary companies and coupled with the favourable effects of the US Dollar which improved their profit margins.

B2. Comment on Material Change in Profit Before Taxation of Current Quarter Compared with Preceding Quarter

In the current quarter under review, the Group made a profit before taxation of RM0.97 million compared to RM0.79 million in the preceding quarter ended 30 June 2013. The Group performance was improved quarter-to-quarter mainly due to better performance across all segments of its business.

B3. Current Year’s Prospects

Barring any unforeseen circumstances, the Board expects the results of the final quarter for the financial year ending 31 December 2013 to be satisfactory.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B4. Profit Forecast or Profit Guarantee

This is not applicable as no profit forecast was published.

B5. Income Tax Expense

	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Current tax:				
Malaysian income tax	332	34	497	234
Total income tax expense	<u>332</u>	<u>34</u>	<u>497</u>	<u>234</u>

B6. Corporate Proposals

There were no corporate proposals announced but not yet completed as at the date of this report.

B7. Group Borrowings

	As at 30.09.2013 RM '000	As at 31.12.2012 RM '000
Hire purchase creditors		
Repayable within one year denominated in Ringgit Malaysia	431	165
Repayable after one year denominated in Ringgit Malaysia	<u>294</u>	<u>683</u>
	<u>725</u>	<u>848</u>
Current liabilities (secured)		
Term loans denominated in Ringgit Malaysia	-	133
	<u>-</u>	<u>133</u>
Long term liabilities (secured)		
Term loans denominated in Ringgit Malaysia	-	54
	<u>-</u>	<u>54</u>

B8. Changes in Material Litigation

The Company is not engaged in any other material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9. Proposed Dividend

There was no dividend proposed during the current quarter ended 30 September 2013.

B10. Earnings Per Share (“EPS”)

(a) Basic earnings / (loss) per share

	3 months ended (Quarter)		9 months ended (Cumulative)	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Net profit/(loss) attributable to owners of the Company (RM '000)	363	(17)	598	284
Net profit attributable to owners of the Company – Continuing operations (RM '000)	363	10	598	349
Net profit attributable to owners of the Company – Discontinued operations (RM '000)	-	(27)	-	(65)
Weighted average number of ordinary shares in issue ('000)	155,882	155,912	155,882	155,912
Basic earnings/(loss) per share (sen)	0.23	(0.01)	0.38	0.18
Basic earnings per share – continuing operations (sen)	0.23	0.01	0.38	0.22
Basic earnings per share – discontinued operations (sen)	-	(0.02)	-	(0.04)

(b) Diluted earnings per share

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the balance sheet date.

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NOTES TO THE QUARTERLY REPORT – 30 SEPTEMBER 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11. Notes to the Statement of Comprehensive Income

Profit/(Loss) before taxation is arrived at after crediting/(charging) the following income/(expense) items:

	3 months ended (Quarter)		9 Months Ended (Cumulative)	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Interest income	77	43	209	146
Interest expense	(8)	(4)	(28)	(20)
Depreciation and amortisation	(324)	(153)	(1,027)	(890)
Gain/(Loss) on disposal of properties, plant and equipment	(2)	-	44	-
Foreign exchange gain/(loss)	173	-	299	-
Gain/(Loss) on derivatives	-	-	-	(16)

B12. Realised and Unrealised Profit / Losses

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised profits is as follows:

	(Unaudited) As at 30.09.2013 RM '000	(Audited) As at 31.12.2012 RM '000
Total accumulated losses of the Company and its subsidiaries		
Realised	12,392	13,179
Unrealised	(162)	(585)
	<u>12,230</u>	<u>12,594</u>
Less: Consolidation adjustments	(12,890)	(13,071)
	<u>(660)</u>	<u>(477)</u>
Total accumulated losses as per consolidated accounts	(660)	(477)

Dated: 12 November 2013